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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1941

EXHIBIT SUPPLY COMPANY, *Petitioner,* vs. ACE PATENTS CORPORATION, *Respondent.*	No. 154
GENCO, INC., *Petitioner,* vs. ACE PATENTS CORPORATION, *Respondent*	No. 155
CHICAGO COIN MACHINE COMPANY, *Petitioner,* vs. ACE PATENTS CORPORATION, *Respondent.*	No. 156

PETITION FOR REHEARING

RE RETITION FOR WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

CLARENCE E. THREEDY,
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PETITION FOR REHEARING

RE PETITION FOR WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

The granting of certiorari in *Muncie Gear Works, Inc., et al.* v. *Outboard, Marine & Manufacturing Co., et al.*, No. 323, on the same day as the denial in these cases,

impels us to point out that every reason advanced for the granting of the Writ in No. 323, also exists in these cases.

I.

The Industry Dominated by the Patent in Suit Is Located Exclusively Within the Seventh Circuit, and Hence It Is More Urgent That Certiorari Be Granted in This Case Than in Other Cases Where Less Complete Concentration of Industry Has Influenced the Court.

In *Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U. S. 47, this Court indicated that it was influenced, in granting certiorari, by the concentration (95%) of the involved industry in one circuit. A showing to this effect was also made in the Muncie case, *supra*, and may have influenced the Court. In view of these facts, we append hereto affidavits establishing the existence of a complete and absolute case of concentration, as regards the industry involved here, in the Seventh Circuit. As shown in the annexed affidavits, there are, in the United States, ten manufacturers of devices of the character involved here, and all ten of these are located in the Northern District of Illinois. No case, in which concentration of industry has been urged upon this Court as a reason for granting certiorari, has involved such a situation where the affected industry, including all parties to the suit as well as third parties, was located 100% in any Circuit.

If concentration of the industry, with attendant improbability of litigation elsewhere, has influenced this Court in granting certiorari in the Muncie and Schriber-Schroth cases, *supra*, it must, with stronger reason, influence the Court in this case.

While Petitioners recognize that, as a general rule, this Court should not be burdened with patent cases save where there is conflict between decisions of different circuits, in a case such as this where the decision of one circuit affects the industry, 100%, the Court is justified in relaxing that general rule. In such a situation, it is evident that this Court can never have an opportunity to resolve a conflict between decisions of different Circuit Courts of Appeals unless the patentee, in a lapse of sagacity, chooses to sue a *user* in another Circuit. Hence, the general rule of this Court, not to take patent cases save to resolve such a conflict, is unduly harsh upon the manufacturing public, and unjustly favorable to a patentee. Such a rule leaves it wholly within the control of the patentee to say whether this Court shall ever pass upon his patent.

II.

The Muncie Case, Supra, Presents An Important Question of Law Relating to the Broadening of a Patent Application, After Filing, to Embrace a Device Then Marketed by Petitioner. The Same Question Is Presented by Petition in These Cases, So That the Two Cases Lend Themselves to Convenient Concurrent Consideration.

The Muncie case, No. 323, involves a situation where the application for patent, as filed, did not describe, or attempt to cover, devices of the character now held to infringe; but, after the accused device was on the market, the application was amended to cover it. (See Paragraphs 5, 6 and 7, Page 4; Paragraph 2, Page 7; Paragraph 3, Page 12, and Point II, Pages 14, 15 and 16 of the Petition in No. 323.)

Precisely the same situation is involved here. (See Petition, Page 2, lines 13 *et seq.*; Page 4, Paragraph (a);

Page 4, "Questions Presented" 3; Pages 6-7, Reason II; Pages 15-16, Point II.) While the Petition in these cases also presented other questions, it is noteworthy that this one question, if decided according to Petitioners' views, will accomplish complete reversal of the judgment below.

Where two cases thus present related questions of law, this Court has frequently heard and determined them together. (*Fashion Originators Guild* v. *Federal Trade Commission*, 312 U. S. 457, and *Millinery Creator's Guild* v. *Federal Trade Commission*, 312 U. S. 469; *Nelson* v. *Sears, Roebuck & Co.* and *Nelson* v. *Montgomery Ward & Co.*, Nos. 255 and 256, 312 U. S. 359 and 373; *Crown Cork & Seal Co.* v. *Ferdinand Gutum Co.*, 304 U. S. 159, and *General Talking Pictures Corp.* v. *Western Electric Company*, 304 U. S. 175; *Triplett, et al.* v. *Lowell, et al.*, 297 U. S. 638 and *Mantle Lamp Co. of America* v. *Aluminum Products Co.*, 297 U. S. 638.) In such circumstances, certiorari has been granted in the absence of conflict* between the decisions, and where respective cases came from the same lower court, as here.

Neither in this case, nor in the Muncie case, did the decision of the lower court (the Circuit Court of Appeals for the Seventh Circuit in both instances) treat the question of broadening after intervening rights had arisen.

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* Illustrative cases in which this was done at the last term of Court are:

Phelps Dodge Corporation v. *National Labor Relations Board*, and *Continental Oil Co.* v. *National Labor Relations Board*, Nos. 387 and 413; *Consolidated Rock Products Co.* v. *Du Bois*, and *Badgley et al.* v. *Du Bois*, Nos. 400 and 444; *Guggenheim* v. *Rasquin*, and *Powers* v. *Commissioner*, Nos. 92 and 486, respectively; *Helvering* v. *Oregon Mutual Life Insurance Co.* and *Helvering* v. *Pan-American Life Insurance Co.*, Nos. 564 and 264, respectively; *Helvering* v. *Janney* and *Gaines et al.* v. *Helvering*, Nos. 36 and 113.

The failure of the lower court to apply the doctrine of this Court's decisions (*Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U. S. 47, 57; *Mackay Radio & Telegraph Co.* v. *Radio Corporation of America*, 306 U. S. 86, 101; *Chicago and N. W. R. Co.* v. *Sayles*, 97 U. S. 554, 563; *Powers-Kennedy Contracting Corp.* v. *Concrete Mixing & Conveying Co.*, 282 U. S. 175, 185) is as manifest in this case as in the Muncie case.

The cases, therefore, lend themselves to concurrent determination by this Court and, unless certiorari is granted in this case, the slight factual differences between them may hereafter be regarded as distinguishing, and result in erroneous interpretation of this Court's decision in the Muncie case.

The only differences in the pertinent factual situation between this case and the Muncie case are two:

FIRST: The description of the intervening device, the subject matter of the belatedly broadened claims, appeared in the original Remarks of an amendment in this case, while it appeared as a formal amendment to the Specification in the Muncie case. If it is illegal to do a thing formally, it is inconceivable that the same result may be rendered legal by doing it informally.

SECOND: The period during which the intervening device was on the market, before the broadening amendment, was two years in the Muncie case, but five months here. This is merely a difference in degree, which should not affect the applicability of the principle that one may not change his pending application for the purpose of appropriating and claiming what has been developed and commercialized by others in the interim.

CONCLUSION.

Wherefore Petitioners pray that the Petition for Writs of Certiorari be reconsidered and granted.

Respectfully submitted,

EXHIBIT SUPPLY COMPANY,
GENCO, INC.,
CHICAGO COIN MACHINE COMPANY,

.....

By CLARENCE E. THREEDY,

.....

JOHN H. SUTHERLAND,
Counsel for Petitioners.

October 29, 1941.

I hereby certify that the foregoing Petition for Rehearing is filed in good faith and not for the purpose of delay.

.....

AFFIDAVIT IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK.

JOHN CHREST, being duly sworn, deposes and says that he is of legal age, a resident and citizen of the City of Chicago, County and State aforesaid, and is secretary of the Coin Machine Industries, Inc., having its principal office in the City of Chicago, County and State aforesaid, an association composed of members whose business is that of manufacturing and selling coin-operated devices;

That he knows the names and addresses of all of the manufacturers of devices of the character involved in this litigation; that the entire industry is confined to ten manufacturers and is concentrated in the State of Illinois within the Seventh Judicial Circuit of the United States; that during the latter part of the year of 1936 and the major portion of the year of 1937 the Pacent Novelty Manufacturing Company of Utica, New York, was engaged in the manufacture of such devices; that said company during the year of 1937 became bankrupt and discontinued business including the manufacture of said devices.

.....

JOHN CHREST.

SWORN TO and subscribed before me this 24th day of October, 1941.

.....

Notary Public.

AFFIDAVIT IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

HERBERT L. OETTINGER, being duly sworn, deposes and says that he is of legal age, a resident and citizen of the City of Chicago, County and State aforesaid, and is treasurer of the petitioner company, The Exhibit Supply Co.;

That he knows the names and addresses of all of the manufacturers of devices of the character involved in this litigation, sold in competition with the products of his company; that the entire industry is concentrated in the State of Illinois within the Seventh Judicial Circuit of the United States; that during the latter part of the year of 1936 and the major portion of the year of 1937 the Pacent Novelty Manufacturing Company of Utica, New York, was engaged in the manufacture of such devices in competition with the products of his company; that the said Pacent Novelty Manufacturing Company during the year of 1937 became bankrupt and discontinued business including the manufacture of said devices.

.....

HERBERT L. OETTINGER.

SWORN TO and subscribed before me this 24th day of October, 1941.

.....

Notary Public.

AFFIDAVIT IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

SAMUEL WOLBERG, being duly sworn, deposes and says that he is of legal age, a resident and citizen of the City of Chicago, County and State aforesaid, and is president of the petitioner company, Chicago Coin Machine Mfg. Co.;

That he knows the names and addresses of all of the manufacturers of devices of the character involved in this litigation, sold in competition with the products of his company; that the entire industry is concentrated in the State of Illinois within the Seventh Judicial Circuit of the United States; that during the latter part of the year of 1936 and the major portion of the year of 1937 the Pacent Novelty Manufacturing Company of Utica, New York, was engaged in the manufacture of such devices in competition with the products of his company; that the said Pacent Novelty Manufacturing Company during the year of 1937 became bankrupt and discontinued business including the manufacture of said devices.

.....

SAMUEL WOLBERG.

SWORN TO and subscribed before me this 24th day of October, 1941.

.....

Notary Public.

AFFIDAVIT IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

LOUIS W. GENSBURG, being duly sworn, deposes and says that he is of legal age, a resident and citizen of the City of Chicago, County and State aforesaid, and is president of the petitioner company, Genco, Inc.;

That he knows the names and addresses of all of the manufacturers of devices of the character involved in this litigation, sold in competition with the products of his company: that the entire industry is concentrated in the State of Illinois within the Seventh Judicial Circuit of the United States; that during the latter part of the year of 1936 and the major portion of the year of 1937 the Pacent Novelty Manufacturing Company of Utica, New York, was engaged in the manufacture of such devices in competition with the products of his company; that the said Pacent Novelty Manufacturing Company during the year of 1937 became bankrupt and discontinued business including the manufacture of said devices.

.....

LOUIS W. GENSBURG

SWORN TO and subscribed before me this 24th day of October, 1941.

.....

Notary Public.